

**MINUTES  
STATE BOARD OF FINANCE  
MARCH 22, 2006  
OFFICE OF THE OMB DIRECTOR  
STATE HOUSE ROOM 212**

Members in Attendance:

Chuck Schalliol, OMB Director

Treasurer Tim Berry

Paul Lottes, Deputy Auditor

Also in Attendance:

Debbie Hineline, Department of Education

Laura Phillips, Department of Education

Kirke Willing, Chief Deputy Treasurer

Mary Burres, Auditor of State's Office

Tony Armstrong, Budget Agency

**CALL TO ORDER**

The meeting was called to order by OMB Director Chuck Schalliol.

**APPROVAL OF MINUTES**

Deputy Auditor Lottes distributed a revised draft of the minutes for the February 21, 2006, meeting. He stated that OMB had requested that some changes be made to the draft distributed with the agenda. Director Schalliol asked Deputy Director Armstrong to discuss the changes which were made to provide more information about the aviation consolidation plan.

Deputy Auditor Lottes then moved to approve the minutes distributed at the meeting, Treasurer Berry seconded, and the minutes were unanimously approved.

**DESIGNATION OF A DEPOSITORY FOR PUBLIC FUNDS OF THE STATE**

At the request of Treasurer of State Tim Berry, pursuant to I.C. 5-13-9.5, the "Application for Designation as a Depository of Public Funds" was submitted to the Board for approval on behalf of Harris National Association.

Treasurer Berry moved to approve the designation, Deputy Auditor Lottes seconded, and the designation was unanimously approved.

Director Schalliol inquired about the location of Harris National Association and asked how depositories came before the Board for approval. Treasurer Berry stated that it is located in Lake County and described the approval process. Director Schalliol asked how decisions were made as to which depositories received state funds. Treasurer Berry told the Board that both state and local money was invested in approved depositories and described the decision-making process for the deposit of state funds into these institutions. The Board then briefly discussed the investment of proceeds to be received in the Major Moves project.

## **INDIANAPOLIS DESEGREGATION DISTRIBUTIONS**

At the request of the Department of Education the desegregation distributions to the following Indianapolis School Corporations were approved to be effective April 14, 2006. The April quarterly installment for desegregation represents one-fourth of the estimated expenses for 2005-2006 and totals \$11,170,909.12. These claims were submitted by seven public school corporations under the Order. Transfer tuition comprises \$6,805,790.62. The residual \$4,365,118.50 is transportation, other desegregation costs and transition support.

<b><u>MSD Decatur Twp.</u></b>	
Transfer Tuition	\$629,390.83
Regular Transportation	172,305.21
Extracurricular Transportation	83,599.75
Other Desegregation Costs	<u>458,597.21</u>
Total	1,343,893.00
<b><u>Franklin Township</u></b>	
Transfer Tuition	\$478,339.54
Regular Transportation	232,876.75
Other Desegregation Costs	<u>334,709.24</u>
Total	1,045,925.53
<b><u>MSD Lawrence Twp.</u></b>	
Transfer Tuition	\$495,329.13
Regular Transportation	75,167.27
Other Desegregation Costs	<u>169,207.27</u>
Total	739,703.67
<b><u>MSD Perry Twp.</u></b>	
Transfer Tuition	\$1,664,770.82
Regular Transportation	580,272.18
Other Desegregation Costs	<u>808,288.98</u>
Total	3,053,331.98
<b><u>MSD Warren Twp.</u></b>	
Transfer Tuition	\$1,382,702.52
Regular Transportation	210,488.50
Other Desegregation Cost	<u>321,227.92</u>
Total	1,914,418.94
<b><u>MSD Wayne Twp.</u></b>	
Transfer Tuition	\$2,155,257.78
Regular Transportation	164,217.87
Other Desegregation Costs	<u>502,535.35</u>
Total	2,822,011.00

<u>Indianapolis Public</u> Transition Support	<u>\$251,625.00</u>
Total	251,625.00

Director Schalliol asked Debbie Hineline to discuss the desegregation distributions. Ms. Hineline explained that the current payment and the July payment were estimates of the desegregation costs and that the October payment would be adjusted for any variances. She added that there may also be a future payment related to bus replacement.

Deputy Auditor Lottes moved to approve the distributions as set forth in the agenda, Treasurer Berry seconded, and the distributions were unanimously approved.

### **NEW OR OTHER BUSINESS**

Director Schalliol informed the Board that there would be an upcoming Rainy Day Fund loan to Howard County. Deputy Director Armstrong stated that HB 1124 provided for a loan or loans to Howard County as a result of the property tax problem with Delphi. The Budget Committee will review the proposal at its March meeting and OMB expects the matter to come before the Board in April. The loan may be interest free and could be for as long as ten years. Deputy Auditor Lottes suggested that OMB legal counsel may want to review the loan forms used in the past to update the loan documentation.

### **ADJOURNMENT**

Director Schalliol reminded the Board that the next meeting is scheduled for April 18, 2006.

Deputy Auditor Lottes moved to adjourn the meeting, Treasurer Berry seconded, the motion to adjourn was unanimously approved, and the meeting was adjourned.

/s/ Paul Lottes, Deputy Auditor

/s/ Chuck Schalliol, OMB Director

/s/ Treasurer Tim Berry